**Concession Stand Challenge**

You are going to be opening a concession stand at Wells Fargo Arena in Des Moines and need to establish prices for all the items you plan on selling. Provide detailed explanations in regards to how you will be pricing each item.

| **Item** | **Cost of Goods**  **(per unit)** | **Your Price** | **Margin** | **Explanation for the Price. (Reference Pricing Objectives, Costs, Strategies, Pricing Methods, Competition, Economic Factors)** |
| --- | --- | --- | --- | --- |
| Powerade |  |  |  |  |
| Pop |  |  |  |  |
| Water |  |  |  |  |
| Hot Chocolate |  |  |  |  |
| Hot Dog |  |  |  |  |
| Nachos |  |  |  |  |
| Walking Tacos |  |  |  |  |
| M & M’s  (Regular and Peanut) |  |  |  |  |
| Charm’s Blow Pops |  |  |  |  |
| Reese’s Peanut Butter Cups |  |  |  |  |
| Snickers |  |  |  |  |
| Starbursts |  |  |  |  |
| Sour Patch Kids |  |  |  |  |
| Popcorn | $0.10 |  |  |  |
| Ring Pop |  |  |  |  |

**Pricing Strategies**

**1.) Describe for your concession stand, the different pricing objective you want to implement and explain why. Be detailed in your response and identify each type of objective.**

**2.) Describe 3 different pricing discounts that you would offer customers to help meet the pricing objective of the stand. Describe each offer, explain for each offer how it reflects the pricing objectives established and how it will the stand accomplish its goals.**

**3.) Identify examples of the Fixed Costs for the Stand.**

**4.) Discuss the following influences on Price and explain what impact these would have on pricing the items at your stand? Provide examples for support. If you feel an influence wouldn’t effect the price, explain why.**

- Supply and Demand

- Channels of Distribution

- Product Life Cycle

- Advertising and Promotion

- Customer Service

**5.) Break Even Analysis**

Analyze the following example below to determine the break even point for the Walking Taco. **Make sure you show all of your work.**

**Fixed Costs for the Stand**

5,500

**Variable Costs - Consider your costs and Labor**

Ground Beef

Cheese

Lettuce

Salsa

Labor - 10.00/hr , can make 20 walking tacos per hour.

**Determine the break even point based on the price you identified above if you only sold Walking Tacos at your stand.**

**6.) Create an effective visual menu that you would display at your stand as to effectively communicate your pricing to customers.**

**7.) Create an effective visual for one of your pricing discounts that would be offered to customers and displayed at your stand.**